

Town of Lincoln

Budget Board Meeting

February 19, 2014

Present:

**​Carl Brunetti​​Hagop
Jawharjian​​Bill DiBiasio​​Richard
Foster​​​​Bob
Turner​​Paul DiDomenico​​Maria
Marcello​​Bill McManus
​Rhonda Lacombe​Mike Babbitt​​**

Absent:

​Paul Deutsch

Call To Order

The meeting began at 7:31 pm with the Pledge of Allegiance.

Presentation of Town Administrator's Recommended FY15 Budget

Town Administrator T. Joseph Almond was present to distribute and discuss his 2014-2015 Recommended Budgets.

The recommendation is a Combined Budget of \$70,840,003 for an increase of \$641,954 over the previous tax levy, a 1.22% increase.

The Municipal Budget recommendation is an increase of \$68,590 or .36%.

The Education Budget recommendation is an increase of \$1,348,183

or 2.72%.

In Capital Improvement Projects, Phase 1 of the Police Station Addition was never done so even though the proposal is a 3.5% increase, that increase is not entirely new spending.

In Revenues, Rescue Receipts and Food and Beverage have increased.

Real Estate valuations are approximately 99% done, and it is estimated that they will account for most of the growth anticipated to within half a percent.

The Motor Vehicles are not completed yet because there are 4,000 of them that came in without values.

Excluding those anticipated values, the Motor Vehicles are approximately \$600,000 less than last year's levied amount.

Tangible Property Values are also not complete because that information is still being collected.

The Administrator's recommendation includes \$1.5 million for the Education Budget in Capital Improvements without specification as to what those funds would be used for.

The Administrator is also resubmitting the Police Station 2-story addition for \$3.3 million and another \$125,000 for furnishings for the project.

The Administrator's Total Municipal Capital Improvement Project Recommendation is \$3,425,000.

It includes \$175,000 with a matching DEM Grant to renovate Albion Park with a new shelter.

Also included are restrooms at Chase Farm with a \$100,000 matching grant, renovations to the Chase Farm residence to make it usable with \$13,500 in Impact Fees, and \$25,000 to renovate and relocate the Hot Potato School House to the Chase Farm property which will be done also using \$22,000 in donations from the Citizens Celebration Committee.

Things that the Town Administrator noted that the Town should be aware of in the coming budget years included transitioning to the new education state funding formula which will be based upon enrollment, protecting the Town's bond rating which is the best in the state for a community of Lincoln's size, planning for future borrowing, and continuing to make careful investments and remain ahead of the curve with capital improvement project spending.

The ARC Payments and OPEB Trust Funds were large expenses this year, as the Town has contributed more than was required by the actuaries.

The Town Council is working with the Finance Director in order to propose a new investing policy.

The Administrator's Education Budget recommendation would increase the Maintenance of Effort by \$500,000 and also estimate \$848,143 in state aid which would increase the total budget by

\$1,348,183 or 2.72% for a total Education Budget of \$50,958,144.

This translates to a per student cost of \$16,015, an increase of 4%.

Under the current state aid formula, the Town has received \$4 million in new aid.

The new formula will be in place in 2 years and it was noted that the Town should begin the transition to the anticipated decrease in aid.

There has been a 14.5% decrease in enrollment over 10 years, and that decline is expected to continue.

The Administrator noted that while the Town is very fiscally strong, with growth approaching 1% for the first time in 4 years, he cautioned that the biggest challenges will be coming in the next few years with a lot of things expected to happen in the state with pension settlements and school funding.

The schools have seen some decreases in FTE's, and have been hiring new teachers which all translate to decreases in health care costs, longevity, etc. but those may increase again as salaries and longevity increase.

There were adjustments in Animal Control and IT in order to provide for necessary overtime.

Since the Police Department Addition was not done, the resolution passed last year will expire and needs to be revisited.

Also, the Administrator recommended funding for Education Funding but they will bring their own proposals forward of how they are requesting to use that money.

The Town Administrator noted that if you look at his past budget messages that have accompanied his recommendations, you would see that there are a lot of consistencies and a lot of financial predictions that did end up happening.

Public Comment

Kristine Donabedian, School Committee Chair, noted that the School Committee's recommendation of \$1.5 million in Capital Improvements was the same as the recommendation that the Town Administrator submitted to the Budget Board.

She commended the Town Administrator on looking at State Aid and the changing formula ahead of time and working on it as a transition. It was noted that the cost per pupil of \$16,000 does not include charter school students, which adds up to another \$2.5 million.

It was noted that it would be too difficult to try to guess future enrollment and population changes in coming years.

The RI Department of Education does project anticipated enrollment, but it is considered pretty subjective.

There was a peak of enrollment in 2002-2003, and then a decrease of about 10% from then until 2010 when it started to level off.

There is a correlation between the curve of enrollment statewide and

Lincoln's curve.

In response to a question from the Budget Board about whether there were any possible areas of classroom consolidation, it was noted that there weren't really any places where real consolidation and savings could be recognized.

The Budget Board would like to see schematic by classroom of how many students are in each room during the day for all grades, which they have received in the past.

Keith Macksoud, Town Council President, questioned whether the tax levy proposed takes into account those who will be eligible for the senior tax exemption in the coming year.

John Ward, Finance Director answered that it does not specifically account for seniors who would start receiving the exemption, but that the projected levy is lower than anticipated due to loss, low collections, etc. so things like new exemptions are build into the levy recommendation based on historical averages.

Also, the Census Bureau does a full update every ten years, and statistical updates in between.

Recess

Bob Turner made a motion to recess the meeting, seconded by Rhonda Lacombe.

The meeting took a recess.

Bill DiBiasio made a motion, seconded by Richard Foster, to

reconvene the meeting.

The meeting was reconvened.

Approval of Minutes

The minutes of February 6th were distributed for review.

Bill DiBiasio made a motion, seconded by Bill McManus to accept the minutes.

The minutes were approved by a vote of 8-0 with Bob Turner and Hagop Jawharjian abstaining as they were not present on February 6th.

Correspondence

Carl Brunetti spoke with the Town Administrator regarding his previous correspondence about the duties of the Budget Board and their meetings.

The School Committee Chair and School Superintendent also sent correspondence regarding their meeting with the Budget Board to discuss their Capital Improvement Project recommendations.

The Budget Board requested and received an electronic copy of the School Committee's recommended budget.

The Budget Board received an email from Charlie Roberts regarding renovations to Ferguson Field.

The Budget Board discussed the field project and it was noted that if there is contaminated soil as feared when the project starts, as long

as it is kept in Town there would be no extra expense for the handling or removal of it.

Since the previous meeting of the Budget Board had been cancelled, they had requested that the Town Administrator send his recommended budget electronically but he declined until he could present it to the Budget Board in person.

There was correspondence from the Town Council President regarding the duties and responsibilities of the Budget Board and when they should be meeting.

Bill DiBiasio received an invitation to and attended a Water Commission meeting.

The Water Commission asked if there was any information that the Budget Board needs that they have not been given.

He answered that the Budget Board have been requesting more detailed summary information for the past several years.

The Water Commission will prepare that detailed information and distribute it to the Budget Board.

More revenue information, if provided, could be put in the budget book for the Financial Town Meeting on their behalf.

Billing has been changed to quarterly, which has improved the collection rate.

The Budget Board would only need to know about Water Commission capital projects in their budget process if they would have to go to

bond for it per charter.

Business

FY 15 Municipal Budget

Besides being presented by the Town Administrator to the Budget Board, the FY 15 Municipal Budget was also received electronically.

FY 15 Education Budget

The School Committee recommended an increase of 4% in the Education Budget.

The Town Administrator's recommendation was a 1.62% increase, which was \$1,219,097 lower than the School Committee's recommendation.

For the 2013-2014 Budget it was noted that the Education Budget had \$1,975,589 total surplus.

\$440,463 out of that surplus was spent for a roof repairs.

The school-wide security projects were also done out of surplus.

\$70,000 in reimbursements will be received back for the work on the Northern roofs.

Therefore, there will be a total projected surplus of \$843,626.

In the next year proposals include \$220,000 for the Lonsdale roof, \$40,000 for the High School roof, \$200,000 for field

For a total proposed in capital projects out of surplus of \$460,000

This would leave a \$383,626 net surplus in the capital restricted fund.

The Budget Board discussed that that amount in surplus did not leave much of a cushion in case any emergencies should come up with the schools.

They also discussed the possibility that if the roofs are not repaired, they may become an emergency.

It was noted that there were basically no other requests for capital improvements to any of the buildings.

The Budget Board discussed the issue of the School Department spending out of surplus without going through the budget process or getting Financial Town Meeting approval.

The Budget Board School Tour will be held on March 1st.

The Budget Board questioned what the \$200,000 requested for “Field” would be specifically used for.

The Budget Board discussed the \$1.5 million School Capital Project recommendation.

The Town Administrator did not designate what it would be used for, but \$1 million would come from Twin River revenue, and \$500,000 would come from Fund 50.

The Budget Board discussed that the School Committee should have detailed information when they are voting on capital projects presented at their budget meetings.

The Budget Board discussed the new state aid funding formula, and also that there would be ways to deal with it if in the future more than the mandated cap of 4% increase was needed to maintain the minimum maintenance of effort.

It was noted that Private Schools and Special Needs tuitions are separate from charter schools and are paid for in the Purchased Services account.

Public Comment

There were no public comments or questions at the time.

Adjourn

Bill McManus made a motion, seconded by Paul DiDomenico, to adjourn the meeting.

The meeting adjourned at 9:33 pm.